(b) whether any enquiry has been conducted on the basis of the facts given in this regard;

(c) if so, the details thereof; and

(d) the action being taken by Government to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) There are news items apprearing in certain sections of the Press about circulation of Rs. 1,00Q/- denomination notes. Till date the Reserve Bank of India has supplied 107 million pieces of Rs. 1,000*- notes for issue to the members of the public. The Reserve Bank of India has also instructed its offices to sent further supplies to currency chests of public sector banks. Instructions have been issued by the Reserve Bank of India to its regional office to ensure that all demands for Rs. l.OOG7- notes are met, leaving no scope for any complaint. All the regional offices of the Reserve Bank of India are now holding adequate stock of Rs. 1,000/- notes and there is no heavy demand at present for these notes.

Loans to SSI

† 616. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn towards the non-availability of adequate loans by the industrial banks for the Small Scale Industries in spite of its important role in industrial production of the country;

(b) if so, the various problems being faced by the Small Scale Industries; and

(c) what steps Government are taking to resolve these problems?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Reserve Bank of

† Original notice of the question was received in Hindi.

India (RBI) has advised the banks to follow the procedure of sanctioning working capital limits computed on the basis of minimum of 20% of the projected annual turnover to all SSI Units requiring aggregate fund based working capital limits upto Rs. 5 crores from the banking system. The above instructions are being followed by Banks. A recent study of the specialized SSI Branches by the RBI revealed that the borrower accounts are receiving adequate credit computed on the basis of minimum 20% projected annual turnover. The outstanding credit to SSI Sector to Public Sector Banks, Private Sector Banks and Foreign Banks have increased considerably from Rs. 29,152 crore at the end of March, 1995 to Rs. 55,973 crore at the end of March, 2000. Besides, Government/RBI has also announced several policy measures to improve the flow of credit to SSI Sector which include:

(i) Setting up specialized SSI Branches by public sector banks and special emphasis to be laid for obtaining ISO certification by these branches.

(ii) Delegation of greater powers to Branch Managers to grant limits, to simplify application forms and to fix own norms for assessment of credit requirement.

(iii) Enhancement of loan limit under Composite Loans Scheme from Rs.2 lakh to Rs.5 lakh (Union Budget 1999-2000), further to Rs. 10 lakh (Union Budget 2000-2001). The limit was further raised to Rs.25 lakh following the announcement made by Hon'ble Prime Minister.

(iv) Increase in Project Cost Limit under National Equity Fund (NEF) Scheme from Rs. 10 lakh to Rs.25 lakh (Union Budget 2000-2001) and further to Rs.50 lakh. Likewise soft loan component has also been increased to Rs. 10 lakh.

(v) Increase in limit for non-insistence on collateral security from Rs.l lakh to Rs.5 lakh (Union Budget 2000-2001).

(vi) Launching of Credit Guarantee Fund Scheme for Small Industries to cover collateral free and third party guarantee free loans of commercial banks to SSI Sector including IT

and software sector upto a limit of Rs. 10 lakh (since enhanced to Rs.25 lakh). A separate Trust viz., Credit Guarantee Fund Trust for the purpose has been set up and the Scheme has already become operational.

Target of Income Tax recovery during 2001-2002

617. SHRIMATI CHANDRA KALA PANDEY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Government ignores defaulters while taxing salaried class" appearing in the Times of India, New Delhi dated 7th February, 2001.

(b) if so, what is Government's reaction thereto;

(c) what is Government's action plan to recover the dues; and

(d) the target for recovery during year 2001-2002?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The Government has continuously given a high priority to the work of collection/reduction of arrcar demand and appropriate administrative, legal and other measures are taken to recover the maximum revenue out of the outstanding demands.

(c) and (d) The Income-tax Act prescribes a statutory procedure for recovery of taxes. The recovery of the outstanding tax is a continuous process. The process starts after the demand falls due after 30 days of the service of the demand notice. Thereafter, action is taken by Assessing Officer in respect of unstayed demand by charging interest, levying penalty, attaching bank accounts etc. In difficult cases, matter is referred to tax Recovery Officer who takes various coercive measures as per the Act. The recovery action taken by the Assessing Officer and TRO is closely monitored by the higher Income Tax Authorities. No time limit can be fixed for recovery of dues for the cases which arc under dispute, as the asscssccs generally do not pay up the contested demands of taxes considered due by Department, until they exhaust all legal remedies, going right up-to